



Director of
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25X1

Page Denied

Top Secret

25X1

Contents

25X1

Panama-US: *Political Controversy*. 2Ethiopia: *Military Activity* 3UK: *Pressure on Labor Party Leader*. 4

25X1

CEMA: *Summit Postponed*. 6Pakistan: *Violence Subsides* 7USSR: *Military Leaders Urge Preparedness*. 7

25X1

South Korea: *Easing Political Controls*. 9

Special Analysis

Israel: *Political Impact of Inquiry Commission*. 10

25X1

Top Secret

25X1

26 February 1983

Page Denied

Top Secret
[redacted]

25X1

PANAMA-US: Political Controversy

National Guard Commander Paredes's charges of impropriety against the US Ambassador have stimulated nationalistic sentiment but have also raised questions about his political judgment. [redacted]

[redacted]

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Although Paredes's actions have been widely endorsed by the media, members of the ruling party, and the National Assembly, he already is trying to reduce their effect on US-Panamanian relations. He is now directing criticism more at the opposition parties, whose nationalist credentials he says are tarnished by contacts with US officials. [redacted]

[redacted]

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Comment: The US is routinely attacked in Panama for political effect, and Paredes may have believed he needed to assert his independence to avoid being labeled a US puppet. He also appears concerned that his presidential candidacy is being threatened by those opposed to a military candidate. Moreover, he probably was upset by attention US officials have paid to opposition parties. [redacted]

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Nevertheless, Paredes's blatant breach of protocol suggests he is willing to take extreme measures to achieve political objectives. Despite his apparent susceptibility to manipulation, Paredes is likely to reap some immediate short-term benefits at home and abroad by dissociating himself from the US. [redacted]

[redacted]

25X1

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Top Secret
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25X1

26 February 1983

Page Denied

Top Secret

25X1

ETHIOPIA: Military Activity

The government this week began another offensive against rebels in northwestern Tigray Province, and government forces in the Ogaden region are strengthening their positions. [REDACTED]

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A decrease in military activity in the Ogaden has allowed Addis Ababa to construct several defensive bases along the Somali border and to consolidate its hold over the two disputed towns near the border. The Ethiopians outnumber Somali troops there by 2 to 1. Addis Ababa has been trying to exploit the recent conflict among Somali clans in the border area [REDACTED]

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Somalia is now using the arms received last year from the US, Italy, and Egypt. Its military forces, however, continue to be hindered by serious command and control, logistic, maintenance, and morale problems, according to several sources. [REDACTED]

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Comment: Past sweep operations against the Tigrean rebels have had only limited success, and the current campaign is unlikely to do better. The insurgents normally avoid pitched battles, concentrating instead on attacking the government's vulnerable supply lines and rear base areas. [REDACTED]

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Ethiopia's military and political efforts in the Ogaden region, however, have been successful. Somali-supported guerrillas have had difficulty operating there, partly because of Addis Ababa's success in sealing portions of the frontier. Ethiopia's encouragement of dissension among Somali clans on the border--which often pits Ogadeni clans against other Somali clans--has isolated the guerrillas and reduced their local support. [REDACTED]

25X1

Top Secret

25X1

26 February 1983

Top Secret
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25X1

UK: Pressure on Labor Party Leader

Labor's defeat in the Bermondsey byelection on Thursday will increase pressure on party leader Foot to quit. [redacted]

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The official Labor candidate, a leftwinger reluctantly endorsed by Foot, lost by almost 10,000 votes to a Liberal representing the Social Democratic - Liberal Alliance. Labor had held the district for 60 years.

[redacted]

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Comment: Foot's ineffectual leadership and poor ratings in the polls have led to speculation he would be urged to resign before the next general election. Last month he said he would leave if such action was in the best interests of the party, but he now says he intends to remain in office.

[redacted]

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The key trade union leaders continue reluctantly to support Foot because they want to avoid another round of intraparty strife. The defeat in Bermondsey, however, is already increasing the sense of desperation among Labor members of Parliament.

[redacted]

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If Foot resigns, deputy party leader Healey would replace him pending a party conference. Although Healey recently has tried to appease the left by denouncing INF and US arms control policy, even his temporary assumption of leadership probably would raise charges of a "plot" by moderates to regain control of the party.

[redacted]

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Trade union bosses may impose a compromise leader. The three leading contenders are members of the shadow cabinet. Peter Shore and Neil Kinnock are both to the left of Healey on some issues, and Roy Hattersley is Healey's heir apparent as leader of Labor's moderates.

[redacted]

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The Social Democratic - Liberal Alliance will use its victory to argue it is the logical successor to Labor. The Conservatives also will point to the opposition's divisiveness as evidence that Labor is unfit to govern. Labor's troubles, moreover, will add to pressure on Prime Minister Thatcher to call elections in June before any potentially more popular Labor leader has a chance to establish himself.

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25X1

Top Secret
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25X1

26 February 1983

Page Denied

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Top Secret

25X1

CEMA: Summit Postponed

East European and Soviet party secretaries meeting in Moscow on 8 and 9 February decided to postpone the CEMA summit at least until September [redacted]

[redacted] The group disagreed on coordination of CEMA investment plans, exchange rates, and prices on goods traded within CEMA. Most East Europeans want the summit to address ways to adjust the exchange rate in order to halt the deterioration in Eastern Europe's balance of trade with the USSR without increasing exports. [redacted]

Comment: This postponement tends to confirm [redacted] that little progress has been made in resolving differences over the purposes and agenda of a summit meeting. The East Europeans will continue to object to the USSR's plans to accelerate integration of economic planning and production. They will stress the need for better prices and for maintaining current levels of Soviet deliveries. They still need economic help from Moscow, however, and eventually are likely to accept some Soviet proposals for more integration and coordination. [redacted]

Top Secret

26 February 1983

25X1

Top Secret
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25X1

PAKISTAN: Violence Subsides

The riot-affected areas of Karachi remained fairly quiet yesterday after congregational prayers, traditionally an opportunity for demonstrations. Sunni leaders have pledged to continue their anti-Shia agitation, but the US Consul reports the authorities appear to have the situation under control. The government met one Sunni demand by sending home the Iranian Consul General in Karachi, who was rumored to have incited the Shias. Islamabad claimed to have evidence linking him to the bombing of French properties last Sunday. [redacted]

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Comment: The containment of the violence in Karachi gives the regime an opportunity to reduce religious tensions through negotiations. Some Pakistani officials view the violence as a symptom of political frustrations that could be exploited by the Soviets or Iranians. Political tensions have been higher in Karachi than in other cities in recent years, and President Zia probably will not be in serious trouble unless disturbances break out in Punjab Province. [redacted]

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USSR: Military Leaders Urge Preparedness

Newspaper articles by senior military leaders honoring the 90th birthday of the late Marshal Tukhachevskiy implicitly urge the leadership to make military preparedness the top national priority. First Deputy Chief of the General Staff Varennikov praises Tukhachevskiy's "farsightedness" and by implication criticizes Stalin's purge of the military and the USSR's resultant unpreparedness at the start of World War II. [redacted]

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Comment: Varennikov appears to be seconding thinly disguised charges made by Chief of the General Staff Ogarkov in early 1982 that the leadership had wrongly discounted new US defense programs as primarily intended to intimidate the USSR and deter its support for revolutionary movements in the Third World. Ogarkov summoned the leadership to prepare in peacetime for mobilization of the armed forces and the economy. Defense Minister Ustinov and Brezhnev subsequently acknowledged the need for increased combat readiness. Since then, however, both Ustinov and General Secretary Andropov have stressed the USSR intends to exercise its main revolutionary influence through domestic economic development--the "decisive front" in the competition with the US. [redacted]

25X1

Top Secret
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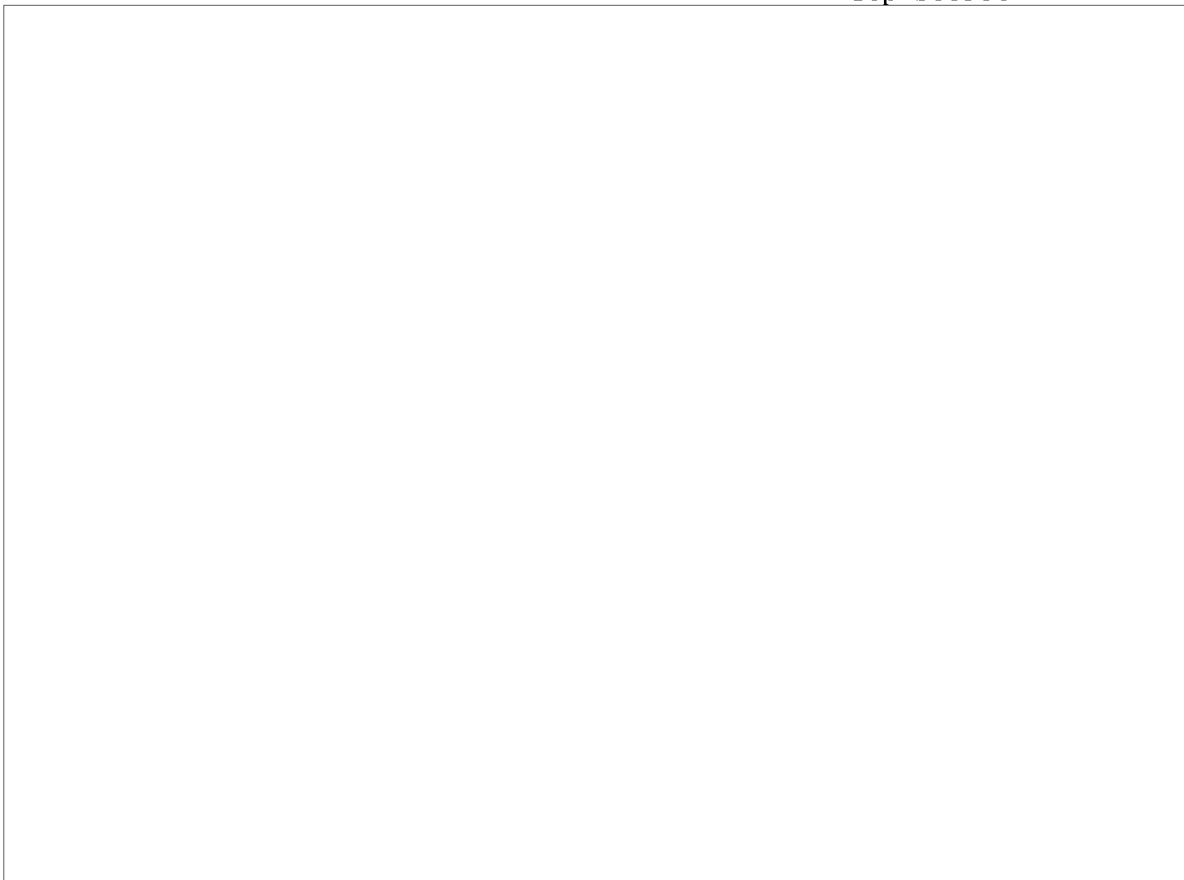
25X1

26 February 1983


Page Denied

Top Secret

25X1




SOUTH KOREA: Easing Political Controls

The removal yesterday of 250 persons from the list of 555 banned from political activity is another cautious step by President Chun to permit a more open political system. 

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Comment: Chun's efforts at national reconciliation, including the release of Kim Dae Jung and 47 other opponents last December, have undercut the dissident movement and have helped improve his image. Chun still imposes some important curbs on the media and political activity, however, and he could halt his reform efforts if dissident agitation were to develop. 

25X1

Top Secret

25X1


26 February 1983

Top Secret
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25X1

Special Analysis

ISRAEL: Political Impact of Inquiry Commission

Prime Minister Begin's adroit response to the Inquiry Commission's report on the Beirut massacre--particularly in securing the removal of Ariel Sharon from the Defense Ministry--has highlighted his own political acumen and underscored the weakness of the Labor opposition. A side effect has been the emergence of new Defense Minister Arens as a leading candidate to succeed Begin. The report's impact on foreign policy is less clear, but Sharon's removal is likely to lead to a somewhat more flexible Israeli policy in Lebanon over the near term and possibly to better relations with the US.

[redacted]

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Begin's handling of the Sharon affair and his ability to defeat opposition no-confidence motions easily have demonstrated his firm control over his coalition. Although there has been some erosion in his personal popularity over the past few months, most Israelis appear to approve of his management of the affair. [redacted]

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The latest polls show that Israelis, by a 2-to-1 margin, consider Begin more capable of serving as Prime Minister than his nearest rival, President Navon. Begin's vigorous participation in the controversy, moreover, suggests the depression and inactivity that followed his wife's death late last year have ended. [redacted]

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Labor's inability to use the commission's findings to lure dissident coalition members away from Begin or to create widespread public criticism of his policy on Lebanon has shown the opposition's continued ineffectiveness. Labor is likely to remain plagued with leadership problems. Criticism of party leader Peres's performance is growing, and he probably will not be able to mount a threat to Begin for some time. [redacted]

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Impact on Succession

Sharon's prospects for succeeding Begin have been damaged--but probably not irreparably--by the commission report and his increased isolation in the cabinet. He

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Top Secret
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25X1

26 February 1983

Top Secret
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25X1

retains Begin's personal loyalty and important support among the hawkish Sephardi electorate. Sharon faces a formidable new rival in Arens, however, whose elevation to Defense Minister makes him a leading candidate for the succession. [redacted]

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Ironically, Arens--who opposed the Camp David accords and the Sinai withdrawal--is opposed by coalition hardliners. They have zeroed in on press leaks that he recommended a temporary freeze on settlements last fall and have blamed him for failing to forewarn Tel Aviv of the US peace plan. Arens's sudden rise to prominence will make him a natural target for criticism, and he will have to be careful not to alienate senior politicians in the Herut Party. [redacted]

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Last week Arens's opponents tried to rally support for a National Unity Government, in part to deny him the defense post--a position that presumably would have gone to the Labor Party in such a government. According to the US Embassy, the proposal was greeted by Begin and senior Labor officials with little enthusiasm. [redacted]

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Foreign Minister Shamir's political fortunes also have been dented by the commission's judgment that he did not try to verify early reports of the massacre. That finding is likely to be obscured with the passage of time, however, and he remains a possible interim successor to Begin. [redacted]

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Minister of Finance Aridor, who reportedly counseled the Prime Minister throughout the crisis following publication of the report, probably has strengthened his position among the Likud's second generation of leaders. Aridor's chief rival, Deputy Prime Minister Levy, is a favorite among Israel's Sephardi community. He evidently has been hurt, however, by his determined backstage role in ensuring that Sharon left the Defense Ministry. [redacted]

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Policy in Lebanon

Sharon's departure as Defense Minister has already had some effect on Israel's policy on Lebanon. In recent meetings with US officials, for example, Israeli negotiators have been more flexible. This suggests some of

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Top Secret
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25X1

26 February 1983

Top Secret
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25X1

Tel Aviv's more stringent demands, including the establishment of Israeli-manned warning stations in southern Lebanon, might be open to discussion. [redacted]

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It is too soon, however, to tell if these hints portend a more moderate Israeli policy. Much will depend on how Arens acts when he takes over the ministry and on Sharon's ability to keep his hand in the negotiations through his continued presence on the steering committee that sets policy on Lebanon. [redacted]

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Arens is less confrontational than Sharon and aware of the damage to US-Israeli relations caused by policy disagreements over Lebanon. Nonetheless, the politically ambitious Arens will not want to get out in front on Lebanon, and he probably will take some time to settle in before playing a major role in the negotiations. His early comments on Lebanon indicate he supports previous Israeli demands for highly visible political relations and comprehensive security arrangements. [redacted]

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Relations With the US

Some Israelis have suggested Sharon's removal from the Defense Ministry has opened the way for improved relations with the US. Tel Aviv appears to believe, however, that the initiative for such a move should come from Washington. The Israeli press has hinted that useful steps in that direction might be to renew Begin's invitation to visit Washington or to proceed with F-16 deliveries. [redacted]

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The appointment of Arens will have little impact on Israeli opposition to the US peace plan. He shares Sharon's opposition to any real concessions on the West Bank, and his presence in the cabinet is likely to strengthen the hardliners. [redacted]

25X1

Top Secret
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26 February 1983

25X1

Top Secret

25X1

Top Secret